

25 + 25

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Lean Transformation Summit



Let's Deal With The Work

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With a
New Foreword
and Afterword by
the Authors

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The Story of Lean Production—
Toyota's Secret Weapon in the Global Car
Wars That Is Revolutionizing World Industry

THE
MACHINE
THAT
CHANGED
THE
WORLD

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Published 25 Years Ago



- Kick-off event in moving lean thinking outside auto industry & beyond Japan.
 - I feared the message would be rejected in an anti-Japanese era. But not so much...
- So what have we achieved in the first 25 years of spreading these ideas?
 - What success have we had with yokoten?



But First: What Does “Lean” Mean?

- Creating more value with less: Time, human effort, capital, space, defects, rework, etc. -- by removing waste.
- By focusing on the customer & the value-creating work to be done (“deal with work”!)
- By creating a management system to enable doing the work in the best way with the least waste.
- Judged by outputs, not by inputs.



Remarkable Spread of Lean in 25 Years

- Across:
 - Sectors of the economy
 - Functions in organizations
 - Countries and regions



Across the Sectors

- Non-auto manufacturing (Wiremold, Lantech, Boeing)
- Process industries and mining (Alcoa)
- Healthcare (ThedaCare and Virginia Mason)
- Services (Starbucks, Legal Seafoods)
- Retail/E-tail and logistics (Amazon, Kroger)
- Government services and NGOs (Food banks, State of Washington, maybe Washington D.C. next?)
- Even farming (palm oil plantation in Malaysia!)



Across the Functions

- Fulfillment (order to cash through production)
- Product and process development (LPPD)
- Supplier management
- Customer support
- General management of the enterprise
- ✓ Across multiple organizations along extended value streams



Across the World

- Japan
- North America
- Europe
- Everywhere



We Have Crossed a Lot of Frontiers!

- The entire range of human activities creating value has been tackled by lean thinkers in the past 25 years.
- There are no more frontiers of these sorts.
- Remarkably, no successor “ism” has emerged after the steady parade of Management by Objectives, TQM, BPR, Six Sigma, and Lean Sigma over 40 years.



However...

- A few sustainable “poster children”, like Toyota and Lantech, do not mean that we have transformed value-creating activities across the world.
- Sustainable yokoten has proved to be very hard.
- (For more thoughts about this please go to my monthly column at www.planet-lean.com.)

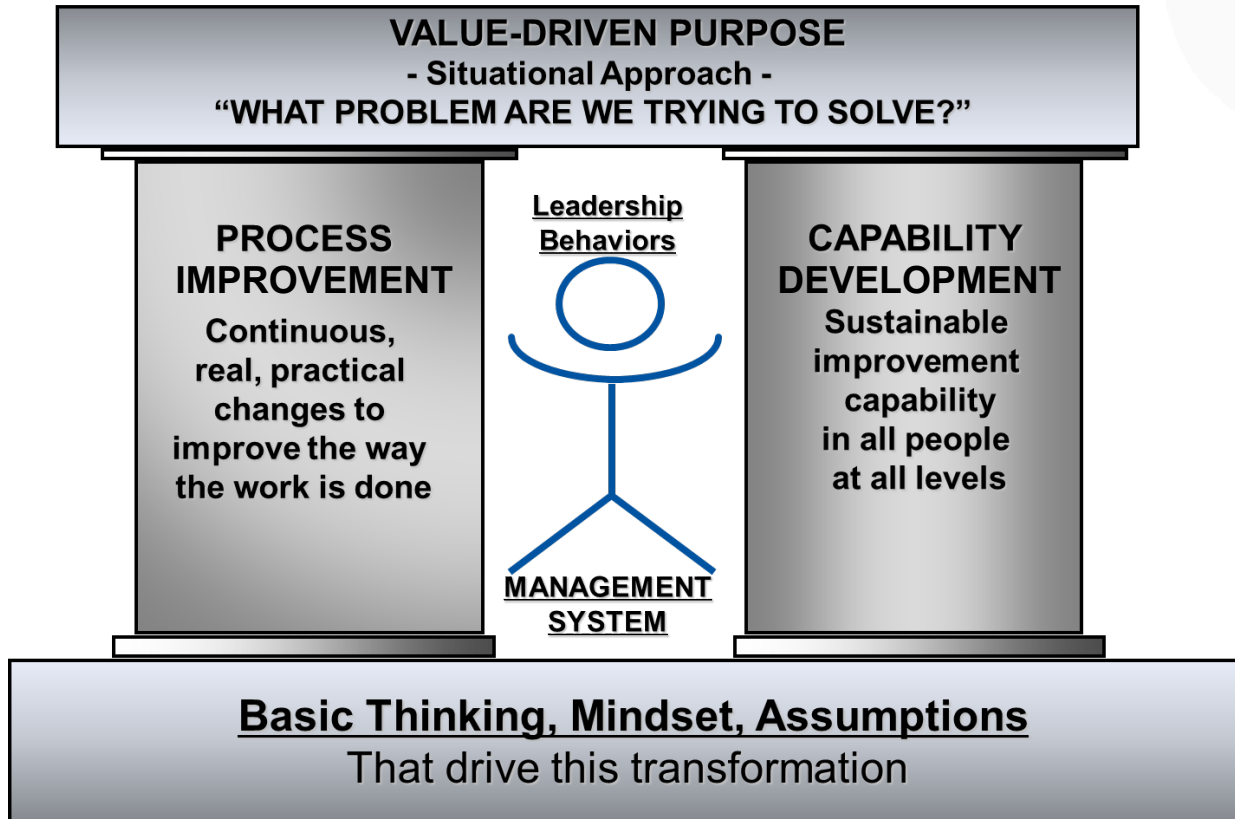


The Next 25 Years

- What do we need to do in the next 25 years to sustain lean thinking in every value creating activity?
 - Maintain our breadth while building the deep foundations for sustainable lean enterprises that we have usually neglected.
 - LEI's Lean Transformation Framework is a guide.



Lean Transformation Framework – 5 Dimensions



Where to Begin?

- It depends on your situation!
- One way that I find particularly helpful: Start with the work and change the work (“deal with work”!) by creating a model value stream (our old friend):
 - Select an important value stream. (Ideally identified by hoshin planning.)
 - Make the current state & the gap visible. (VSM & PDCA embedded in A3.)
 - Identify root causes of the gap (look at the work!) & experiment with countermeasures to close the gap. (P&D)
 - Assess the results and respond. (C&A)
 - Sustain the results with daily management with perpetual kaizen.



Purpose of the Model Value Stream

- Not to countermeasure one problem (although it will do this.)
- Instead to reveal all of the problems with your management system, your people capability development, and your organization's basic thinking and mind sets that make it hard or impossible to sustain your future-state value streams.
- Tackle these aspects of lean transformation systematically through further experiments! (PDCA in the context of A3.)



Will This Work?

- Lean thinkers don't believe in forecasts.
- They are always wrong: from a little to a lot.
- Lean thinkers do believe in acting to conduct important experiments (without which thinking is completely worthless.)



How Can This Work?

- Start with a model value stream suggested by hoshin planning to address all the elements of lean transformation.
- When you succeed, spread, spread, spread. (Yokoten!)
- Let's all meet in 2040 (50 years from the publication of *Machine*) to see how we did in creating a stable foundation for lean thinking in every value stream in every organization, sector, function and country!



But For Now...

Back to work and dealing with (changing) the work:

- Legal Seafoods
- Sun Power

